

**The Commonwealth of Massachusetts
Board of Public Accountancy
239 Causeway Street, Suite 450
Boston, MA 02114**

617-727-1806

**APPLICATION FOR A BUSINESS CORPORATION LICENSE
PER MGL CHAPTER 156D**

A CPA firm wishing to engage within the Commonwealth of Massachusetts in the practice of public accounting as a Business Corporation (BC) may register with the Board of Public Accountancy. Unlike a professional corporation only a majority (more than 50 percent) of the shareholders must be licensed as CPAs in the Commonwealth of Massachusetts. If the corporation wishes to be registered as **Professional Corporation (PC)**, please register per M.G.L. c. 156A and the Board's firm license instructions under this designation. All incorporators, shareholders, officers and directors of CPA PCs must be licensed CPAs and non-licensees **cannot** be admitted as owners of these firms.

Application for registration shall be made upon the affidavit of a CPA officer, director or shareholder of the Business Corporation who holds a valid current license as a CPA. The Board of Public Accountancy will grant a license to the BC provided that all of the following steps are completed.

STEP 1. Proceed to the Secretary of the Commonwealth of Massachusetts, Corporations Division and incorporate under M.G.L. c. 156D. Per the Board's regulations, 252 CMR 3.05, the Business Corporation's name cannot be a fictitious firm name and must only include the name(s) of a CPA owner(s). These rules are available at www.mass.gov/dpl/boards/pa and the statute is M.G.L. c. 112, § 87A-E½. Also, Business Corporations cannot use the designation PC in their business name. For further information contact the Corporations Division at 617-727-2850 or visit their web site at www.mass.gov/sec, but be sure that you inquire as to the M.G.L. c. 156A or 156D for complete instructions as to the form of the entity through which you wish to operate your public accounting practice.

STEP 2. After incorporating the BC with the Secretary of the Commonwealth of Massachusetts, submit the following items to the Board of Public Accountancy within ten business days of incorporation;

- A) Completed Business Corporation Registration Affidavit,**
- B) Registration fee: \$305.00 -check/money order made payable to the Comm. of Massachusetts.**
- C) Copy of Articles of Organization (MGL c. 156D) approved by the Secretary of the Commonwealth.**
- D) Certificate of Insurance or Capital Program as per Board of Accountancy Rules and Regulations, 252 CMR 4.00 (available at www.mass.gov/dpl/boards/pa);**
- E) Photocopy of all shareholders' current licenses (non-CPAs if applicable);**
- F) Firms with non-CPA owner(s) include a written statement including the individual's name(s), the date of admission as a shareholder and any information regarding a professional or vocational license or the individual's right to practice a profession or vocation. For further requirements, see Non-CPA Ownership of Licensed CPA Firms informational sheet included with this application package.**

For information on acceptable Firm Names, including using the designation "and Associates", or "and Company", please see Board's Rules and Regulations 252 CMR 3.05(4) (b) and the attachment of information with the BC Registration Affidavit.



The Commonwealth of Massachusetts
Division of Professional Licensure
Board of Public Accountancy
239 Causeway Street, Suite 500
Boston, MA 02114

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BUSINESS CORPORATION (BC) REGISTRATION AFFIDAVIT
PER MGL CHAPTER 156D

BC Name: _____

Address: _____
No. City/Town State Zip Code

Phone Number: _____ Federal ID # _____

List the names of all shareholders, including license numbers, expiration date and license type, if applicable.

NAME	LICENSE #	EXPIRATION DATE	LICENSE TYPE

If you need more space continue on a separate page.

Date BC was incorporated by the Secretary of the Commonwealth _____

I agree that the BC will abide by the law **M.G.L. c. 112, § 87A-E½** and rules 252 CMR and will report to the Board in writing any changes in shareholders, officers or directors or any corporate change within thirty (30) days of the change. I attest that all statements made herein are truthful and are made under the pains and penalties of perjury.

CPA's Officer Signature and Title

Date

The following items must be included with completed Business Corporation Registration Affidavit

- ___ Registration fee: \$305.00, - check/money order payable to the Comm. of Massachusetts
- ___ Approved Articles of Incorporation for the BC
- ___ Certificate of Insurance or Capital Program
- ___ Photocopy of all members' current CPA licenses
- ___ Firms with Non-CPA owners include statement per information attached

NON-CPA OWNERSHIP OF LICENSED CPA FIRMS

Per recent amendments to M.G.L. c. 112, § 87B½, CPA firms (business corporations (BC), partnerships, LLPs and LLCs) will be allowed to become licensed and admit non-CPAs as shareholders (and officers and directors), partners or members (managers) provided that the following conditions exist:

1. That a simple majority of the ownership of the firm in terms of financial interests and voting rights (control) of the firm belong to holders of a CPA certificate and current license.
2. All non-CPAs must be natural persons and actively involved in providing professional services for the licensed entity or its affiliated entities.
3. The managing partner or agent of the firm must be a licensed CPA.
4. Non-CPA owners do not hold themselves out to the public as CPAs or sign reports on financial statements.
5. The firm and its entire ownership, including non-CPA owners must comply with all other requirements of 252 CMR (available at www.mass.gov/dpl/boards/pa).

In order to become licensed as a CPA firm (with two or more CPA owners), the managing partner will complete the registration affidavit of the entity along with information regarding non-CPA owner(s) and their non-CPA licenses, if applicable. In addition, the managing partner must include a written statement with each non-CPA(s) individual's name(s), the date of admission as a shareholder, partner or member and the managing partner must also certify in this letter to the Board that each non-CPA partner:

1. Has not been convicted of a felony or any other crime, an element of which is dishonesty or fraud, under the laws of any state of the United States or of any other jurisdiction if the acts committed would constitute a crime under the laws of the Commonwealth; and
2. If applicable, (a) has not had any individual professional or vocational license or the right to practice a profession or vocation revoked or suspended for reasons other than nonpayment of dues or fees, or (b) does not have a pending disciplinary investigation, or (c) has not been denied reinstatement by a licensing agency of any state or the United States, or of any other jurisdiction; and
3. Has not been in violation of any rule or regulation regarding character or conduct adopted in 252 CMR; and
4. Has not failed to timely file a report of the conditions set forth above as required by subparagraph 4 of M.G.L. c. 112, §87B½ (available at www.mass.gov/dpl/boards/pa).

At that point, the firm could become licensed utilizing one or all of the licensed CPAs names (two or more CPA owners) and include the designation "and Company" or "and Associates" if they choose. These firms can also utilize Certified Public Accountants or CPAs in the firm name. The Board will not allow CPA firms to use fictitious names or the names of any non-CPA in the firm name.

For all CPAs who wish to register the CPA firm with non-CPA owners and only one licensed CPA owner, the Board will only allow a business corporation to use the CPA shareholders' name in the name of the firm. The Board will only allow the CPA's name and the designation "and Company" or "and Associates" if the firm maintains at least one other CPA as a full-time employee. For partnerships, LLCs and LLPs with one CPA owner of majority interest and one or more non-CPA owners of minority interest, these entities must also have at least one full-time CPA as an employee to use designations as above. Each of these entities can only designate themselves as Certified Public Accountant or use CPA in the firm name (example, G. Washington, CPA Inc. or LLC or LLP; G. Washington, Inc, Certified Public Accountant). Otherwise, the CPA owner has to verify that there is at least one CPA employee at registration of the firm (and at all times in the future) in order to use the designation as a firm of CPAs.

If you have any questions, you may call Leo H. Bonarrigo, CPA, Board Secretary at 617-727-1806.